

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 7036**

**BILL NUMBER:** HB 1367

**NOTE PREPARED:** Feb 29, 2012

**BILL AMENDED:** Feb 27, 2012

**SUBJECT:** Deaf and hearing impaired education services.

**FIRST AUTHOR:** Rep. Noe

**FIRST SPONSOR:** Sen. C. Lawson

**BILL STATUS:** As Passed Senate

**FUNDS AFFECTED:** ☒ **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State

**Summary of Legislation:** The bill has the following provisions:

*Center for Deaf and Hard of Hearing Education:* The bill establishes the Center for Deaf and Hard of Hearing Education (Center) to ensure that children who are deaf or hard of hearing acquire optimal communication and academic abilities. It specifies the duties of the Center. It transfers the outreach services and consultative services to local education agencies to assist in meeting the needs of locally enrolled students with hearing disabilities of the Indiana School for the Deaf (ISD) to the Center. It specifies that until the Center is established and operating, the ISD shall continue to provide those services that will be transferred at the time the Center is established and operating. It provides that the State Board of Finance and the State Budget Agency may not transfer for use by or for the center any appropriation made to the ISD by the 2011 Budget Act.

*OMB Action:* It provides that before July 1, 2013, the Office of Management and Budget (OMB) shall, in consultation with ISD, the Department of Education (DOE), the State Department of Health (DOH), and the Office of the Secretary of Family and Social Services (FSSA), recommend to the General Assembly through the budget process an appropriate agency to provide support for the Center. It provides that, before October 1, 2012, the OMB (in consultation with ISD, DOH, DOE and the office of the secretary of FSSA) must submit a transition report to the State Budget Committee. It requires the OMB in developing the transition report to also consult with other specified entities, and to conduct two public meetings prior to submitting its transition report. It requires the OMB to post the final transition report on its Internet web site. The bill requires the Budget Committee to consider the transition report in the state budget report and budget bill.

*Academic Performance:* The bill requires the State Board of Education to make recommendations before October 1, 2012, to the Legislative Council and to the State Budget Committee concerning the unique and appropriate methods of evaluation and accountability that should be applied to the Indiana School for the Blind and Visually Impaired (ISBV) and the Indiana School for the Deaf.

*Technical Corrections:* The bill changes references throughout the Indiana Code from "hearing impaired" to "hard of hearing".

**Effective Date:** Upon passage; July 1, 2012; July 1, 2013

**Explanation of State Expenditures:** *OMB Action:* The bill's requirements are within OMB's routine administrative functions and should be able to be implemented with no additional appropriations, assuming near customary agency staffing and resource levels.

(Revised) *Center for Deaf and Hard of Hearing Education:* Under current law, the ISD is established as a state educational resource center that includes the following:

1. A residential and day school.
2. Outreach services.
3. Consultative services to local educational agencies to assist the agencies in meeting the needs of locally enrolled students with hearing disabilities.

Under this bill, the outreach services and consultative services would be transferred to the center, a new organization. The mission for the center (either directly or contractually) would be as follows:

1. Monitor and track the identification, early intervention, education and successful transition of children who are hard of hearing from birth through 21 years of age, and who are enrolled or preparing to enroll in early intervention services, preschool, elementary, or secondary school.
2. Develop student learning opportunities.
3. Provide family support.
4. Develop child assessment service models, consistent with federal and state early childhood intervention and special educational law for audiological assessments, social and developmental assessments, communication (including language) assessments, and academic achievement assessments.
5. Provide classroom assessments of instruction, acoustics, and other environmental aspects.
6. Assess professionals who provide students with sign language interpreting, oral interpreting, cued speech transliteration, and captioning services.
7. Provide consultation to school corporations in providing services to students who are deaf or hard of hearing.
8. Act as a liaison with all state agencies that provide services to individuals who are deaf or hard of hearing.

The bill stipulates that until the new center is established, the ISD would continue to provide outreach services. Additionally, the funds appropriated to the school for FY 2012 and FY 2013 may not be transferred to the new center or fund any of its activities.

*OMB Action:* The bill directs OMB to consult with the ISD, DOE, DOH, the Office of the Secretary of FSSA, and specified non-governmental entities to develop a transition plan to implement and administer the center. As part of this process, OMB is directed to hold two public hearings on the issue. The plan is to be submitted to the Budget Committee before October 1, 2012. OMB shall also post the final transition plan on its website.

The plan must include a detailed description of how the new center will carry out its mission, the criteria to be used in selecting the agency that would provide office space and staff support for the center, the estimated costs of operating the center, and the fiscal impact on the ISD resulting from the transfer of the outreach and consultative service to the new center.

According to the bill, before July 1, 2013, OMB, in consultation with the ISD, DOE, DOH and the Office of the Secretary of FSSA, would select the agency to provide office space and staff support for the center. The Budget Committee would review the transition plan in determining the budget for the center for FY 2014 and FY 2015.

*Academic Performance:* The bill directs the State Board of Education to make recommendations to the Legislative Council and to the State Budget Committee on how to effectively evaluate the academic performance of the ISD and the ISBV.

#### Background Information:

The ISD is a fully accredited school for deaf and hard-of-hearing students in nursery school through high school. It provides services to approximately 340 students enrolled on campus and over 830 students through outreach services. About 60 percent of the students live on campus during the academic year. The school offers a full range of social activities, including sports, clubs, and student organizations.

The ISD also sponsors outreach services throughout Indiana for parents, families, and local school corporations. These services include consultation, education and training, assessment, audiology, American Sign Language programs, and a Parent-Infant program.

The total appropriation for the school in FY 2012 and FY 2013 is approximately \$17.8 M for each fiscal year.

From 2006 to 2011 (there were no ratings for 2009), the ISD achieved the following academic performance ratings, starting with 2006: Academic Probation, Academic Watch, Academic Probation, Academic Probation, Academic Progress.

The ISBV achieved the following ratings: Academic Probation; Academic Probation; Academic Probation; Academic Probation; Academic Progress.

#### **Explanation of State Revenues:**

#### **Explanation of Local Expenditures:**

#### **Explanation of Local Revenues:**

**State Agencies Affected:** Indiana School for the Deaf; Office of Management and Budget; State Budget Committee; Department of Education; State Board of Education; Department of Health; Office of the Secretary of Family and Social Services.

#### **Local Agencies Affected:**

**Information Sources:** Department of Education website, <http://www.doe.in.gov/pl221/>;  
Indiana School for the Deaf website, <http://www.deafhoosiers.com/>

**Fiscal Analyst:** David Lusan, 317-232-9592.